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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website : <http://www.melco-group.com>

(Stock Code : 200)

ANNOUNCEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2015 AND DECLARATION OF SPECIAL DIVIDEND BY A LISTED ASSOCIATE — MELCO CROWN ENTERTAINMENT LIMITED

This is not an announcement of financial results of Melco International Development Limited (the “Company”). This announcement is made by the Company pursuant to the requirements of Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) to provide shareholders of the Company with information of the financial results of a listed associate of the Company, Melco Crown Entertainment Limited, which has announced its unaudited financial results for the fourth quarter and full year ended 31 December 2015 and declared special dividend on 18 February 2016.

Melco Crown Entertainment Limited, a 34.29% owned associate of the Company, whose shares are listed by way of American Depositary Receipts on the NASDAQ Global Select Market in the United States, has announced its unaudited financial results for the fourth quarter and full year ended 31 December 2015 and declared special dividend on 18 February 2016.

Melco Crown Entertainment Limited (“**Melco Crown Entertainment**”), a 34.29% owned associate of the Company, whose shares are listed by way of American Depositary Receipts on the NASDAQ Global Select Market in the United States, has announced its unaudited financial results for the fourth quarter and full year ended 31 December 2015 and declared special dividend on 18 February 2016. Extracts of the unaudited financial results of Melco Crown Entertainment are provided below:

The Fourth Quarter 2015 Results of Melco Crown Entertainment

Net revenue of Melco Crown Entertainment for the fourth quarter of 2015 was US\$1,058.0 million, representing a decrease of approximately 6% from US\$1,121.4 million for the comparable period in 2014. The decline in net revenue was primarily attributable to lower rolling chip revenues and mass market table games revenues in City of Dreams and Altira Macau,

partially offset by the net revenue generated by Studio City and City of Dreams Manila, which started operations in October 2015 and December 2014, respectively.

Adjusted property EBITDA (i.e. earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and others, share-based compensation, payments to the Philippine parties under the cooperative arrangement (the “**Philippine Parties**”), land rent to Belle Corporation, gain on disposal of assets held for sale, corporate and others expenses and other non-operating income and expenses) was US\$236.4 million for the fourth quarter of 2015, as compared to Adjusted property EBITDA of US\$278.6 million in the fourth quarter of 2014. The 15% year-over-year decline in Adjusted property EBITDA was attributable to lower contribution from the group-wide rolling chip segment.

On a U.S. GAAP (i.e. generally accepted accounting principles) basis, net loss attributable to Melco Crown Entertainment for the fourth quarter of 2015 was US\$12.3 million, or US\$0.02 per ADS (i.e. American Depositary Share), compared with net income attributable to Melco Crown Entertainment of US\$92.9 million, or US\$0.17 per ADS, in the fourth quarter of 2014. The net loss attributable to noncontrolling interests during the fourth quarter of 2015 of US\$65.6 million was related to Studio City and City of Dreams Manila.

Adjusted net income attributable to Melco Crown Entertainment for the fourth quarter of 2015 was US\$46.7 million, or US\$0.09 per ADS, compared with adjusted net income attributable to Melco Crown Entertainment of US\$123.3 million, or US\$0.23 per ADS, in the fourth quarter of 2014.

Other Factors Affecting Earnings

Total net non-operating expenses for the fourth quarter of 2015 were US\$59.9 million, which mainly included interest income of US\$3.1 million and interest expenses, net of capitalized interest, of US\$44.1 million, US\$14.0 million of other finance costs and US\$7.0 million of costs associated with debt modification. Melco Crown Entertainment recorded US\$19.2 million of capitalized interest during the fourth quarter of 2015, primarily relating to Studio City and the development of the fifth hotel tower at City of Dreams.

The year-on-year increase of US\$20.8 million in net non-operating expenses was primarily due to lower capitalized interest in the current quarter and costs associated with debt modification arisen from the amendment of Studio City Project Facility.

Depreciation and amortization costs of US\$130.0 million were recorded in the fourth quarter of 2015, of which US\$14.3 million was related to the amortization of gaming subconcession of Melco Crown Entertainment and US\$5.7 million was related to the amortization of land use rights.

Financial Position and Capital Expenditure

Total cash and bank balances as of 31 December 2015 totaled US\$2.7 billion, including US\$0.7 billion of bank deposits with original maturity over three months and US\$0.3 billion of restricted cash, primarily related to Studio City. Total debt at the end of the fourth quarter of 2015 was US\$4.0 billion.

Capital expenditure for the fourth quarter of 2015 was US\$198.2 million, which predominantly related to Studio City and various projects at City of Dreams, including the fifth hotel tower development.

Full Year Results of Melco Crown Entertainment

For the year ended 31 December 2015, Melco Crown Entertainment reported net revenue of US\$4.0 billion versus US\$4.8 billion in the prior year. The year-over-year decline in net revenue was primarily attributable to lower rolling chip revenues and mass market table games revenues in City of Dreams and Altira Macau, partially offset by the net revenue generated by Studio City and City of Dreams Manila, which started operations in October 2015 and December 2014, respectively.

Adjusted property EBITDA for the year ended 31 December 2015 was US\$932.0 million, as compared with Adjusted property EBITDA of US\$1,285.5 million in 2014. The year-over-year decline in Adjusted property EBITDA was primarily attributable to lower group-wide rolling chip revenues and mass market table games revenues.

On a U.S. GAAP basis, net income attributable to Melco Crown Entertainment for 2015 was US\$105.7 million, or US\$0.20 per ADS, compared with a net income attributable to Melco Crown Entertainment of US\$608.3 million, or US\$1.11 per ADS, for 2014.

Special Dividend Declaration

On 18 February 2016, the Board of Melco Crown Entertainment considered and approved the declaration and payment of a special dividend of US\$0.2146 per share (equivalent to US\$0.6438 per ADS) (the “**Special Dividend**”), highlighting the strong cash position and cash flow generating ability of Melco Crown Entertainment which has enabled it to return surplus capital to shareholders while still investing in the business of Melco Crown Entertainment.

The Special Dividend will be paid on or about Wednesday, 16 March 2016 to the shareholders of Melco Crown Entertainment whose names appear on the register of members of Melco Crown Entertainment at the close of business on Tuesday, 1 March 2016, being the record date for determination of entitlements to the Special Dividend.

Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheet

The condensed consolidated statements of operations for the three months and year ended 31 December 2015 and the condensed consolidated balance sheet as at 31 December 2015 of Melco Crown Entertainment and its subsidiaries are provided below:

Melco Crown Entertainment Limited and Subsidiaries Condensed Consolidated Statements of Operations (In thousands of U.S. dollars, except share and per share data)

	Three Months Ended 31 December		Year Ended 31 December	
	2015 (Unaudited)	2014 (Unaudited)	2015 (Unaudited)	2014 (Audited)
OPERATING REVENUES				
Casino	\$ 981,121	\$ 1,084,741	\$ 3,767,291	\$ 4,654,184
Rooms	61,136	35,527	199,727	136,427
Food and beverage	37,635	23,331	126,848	84,895
Entertainment, retail and others	41,480	25,248	117,543	108,417
Gross revenues	1,121,372	1,168,847	4,211,409	4,983,923
Less: promotional allowances	(63,342)	(47,462)	(236,609)	(181,614)
Net revenues	1,058,030	1,121,385	3,974,800	4,802,309
OPERATING COSTS AND EXPENSES				
Casino	(692,606)	(768,399)	(2,654,760)	(3,246,404)
Rooms	(8,078)	(3,379)	(23,419)	(12,669)
Food and beverage	(19,271)	(6,451)	(43,295)	(23,513)
Entertainment, retail and others	(25,978)	(15,264)	(77,506)	(62,073)
General and administrative	(110,141)	(86,913)	(383,874)	(311,696)
Payments to the Philippine Parties	(4,553)	(870)	(16,547)	(870)
Pre-opening costs	(52,501)	(36,787)	(168,172)	(93,970)
Development costs	(53)	(2,280)	(110)	(10,734)
Amortization of gaming subconcession	(14,309)	(14,309)	(57,237)	(57,237)

Amortization of land use rights	(5,703)	(16,118)	(54,056)	(64,471)
Depreciation and amortization	(109,941)	(62,308)	(359,341)	(246,686)
Property charges and others	(32,729)	(3,009)	(38,068)	(8,698)
Gain on disposal of assets held for sale	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,072</u>
Total operating costs and expenses	<u>(1,075,863)</u>	<u>(1,016,087)</u>	<u>(3,876,385)</u>	<u>(4,116,949)</u>
OPERATING (LOSS) INCOME	<u>(17,833)</u>	<u>105,298</u>	<u>98,415</u>	<u>685,360</u>
NON-OPERATING INCOME (EXPENSES)				
Interest income	3,129	6,275	13,900	20,025
Interest expenses, net of capitalized interest	(44,116)	(29,551)	(118,330)	(124,090)
Other finance costs	(14,000)	(11,833)	(45,839)	(47,031)
Foreign exchange gain (loss), net	1,381	(4,475)	(2,156)	(6,155)
Other income, net	735	548	2,317	2,313
Loss on extinguishment of debt	-	-	(481)	-
Costs associated with debt modification	<u>(7,011)</u>	<u>-</u>	<u>(7,603)</u>	<u>-</u>
Total non-operating expenses, net	<u>(59,882)</u>	<u>(39,036)</u>	<u>(158,192)</u>	<u>(154,938)</u>
(LOSS) INCOME BEFORE INCOME TAX	(77,715)	66,262	(59,777)	530,422
INCOME TAX (EXPENSE) CREDIT	<u>(266)</u>	<u>336</u>	<u>(1,031)</u>	<u>(3,036)</u>
NET (LOSS) INCOME	(77,981)	66,598	(60,808)	527,386
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	<u>65,642</u>	<u>26,346</u>	<u>166,555</u>	<u>80,894</u>
NET (LOSS) INCOME ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED	<u>\$ (12,339)</u>	<u>\$ 92,944</u>	<u>\$ 105,747</u>	<u>\$ 608,280</u>

NET (LOSS) INCOME
ATTRIBUTABLE TO
MELCO CROWN
ENTERTAINMENT LIMITED
PER SHARE:

Basic	\$ <u>(0.008)</u>	\$ <u>0.057</u>	\$ <u>0.065</u>	\$ <u>0.369</u>
Diluted	\$ <u>(0.008)</u>	\$ <u>0.056</u>	\$ <u>0.065</u>	\$ <u>0.366</u>

NET (LOSS) INCOME
ATTRIBUTABLE TO
MELCO CROWN
ENTERTAINMENT LIMITED
PER ADS:

Basic	\$ <u>(0.023)</u>	\$ <u>0.170</u>	\$ <u>0.196</u>	\$ <u>1.108</u>
Diluted	\$ <u>(0.023)</u>	\$ <u>0.169</u>	\$ <u>0.195</u>	\$ <u>1.099</u>

WEIGHTED AVERAGE
SHARES USED IN
NET (LOSS) INCOME
ATTRIBUTABLE TO
MELCO CROWN
ENTERTAINMENT LIMITED
PER SHARE CALCULATION:

Basic	<u>1,617,943,012</u>	<u>1,636,531,029</u>	<u>1,617,263,041</u>	<u>1,647,571,547</u>
Diluted	<u>1,617,943,012</u>	<u>1,648,055,645</u>	<u>1,627,108,770</u>	<u>1,660,503,130</u>

Melco Crown Entertainment Limited and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands of U.S. dollars)

	31 December 2015	31 December 2014
	<u>(Unaudited)</u>	<u>(Audited)</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,611,026	\$ 1,597,655
Bank deposits with original maturity over three months	724,736	110,616
Restricted cash	317,118	1,447,034
Accounts receivable, net	271,627	253,665
Amounts due from affiliated companies	1,175	1,079
Deferred tax assets	19	532
Income tax receivable	62	15
Inventories	33,074	23,111
Prepaid expenses and other current assets	<u>61,324</u>	<u>69,254</u>
Total current assets	<u>3,020,161</u>	<u>3,502,961</u>
PROPERTY AND EQUIPMENT, NET	5,760,229	4,696,391
GAMING SUBCONCESSION, NET	370,557	427,794
INTANGIBLE ASSETS, NET	4,220	4,220
GOODWILL	81,915	81,915
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	159,677	287,558
RESTRICTED CASH	-	369,549
DEFERRED TAX ASSETS	83	115
DEFERRED FINANCING COSTS, NET	179,808	174,872
LAND USE RIGHTS, NET	<u>833,132</u>	<u>887,188</u>
TOTAL ASSETS	<u>\$ 10,409,782</u>	<u>\$ 10,432,563</u>

LIABILITIES AND SHAREHOLDERS' EQUITY**CURRENT LIABILITIES**

Accounts payable	\$	15,588	\$	14,428
Accrued expenses and other current liabilities		1,056,850		1,005,720
Income tax payable		3,487		6,621
Capital lease obligations, due within one year		29,792		23,512
Current portion of long-term debt		106,505		262,750
Amounts due to affiliated companies		<u>2,464</u>		<u>3,626</u>
Total current liabilities		<u>1,214,686</u>		<u>1,316,657</u>
LONG-TERM DEBT		3,856,200		3,640,031
OTHER LONG-TERM LIABILITIES		80,962		93,441
DEFERRED TAX LIABILITIES		55,598		58,949
CAPITAL LEASE OBLIGATIONS, DUE AFTER ONE YEAR		270,477		278,027
LAND USE RIGHTS PAYABLE		-		3,788
SHAREHOLDERS' EQUITY				
Ordinary shares		16,309		16,337
Treasury shares		(275)		(33,167)
Additional paid-in capital		3,072,026		3,092,943
Accumulated other comprehensive losses		(18,501)		(17,149)
Retained earnings		<u>1,270,074</u>		<u>1,227,177</u>
Total Melco Crown Entertainment Limited shareholders' equity		4,339,633		4,286,141
Noncontrolling interests		<u>592,226</u>		<u>755,529</u>
Total equity		<u>4,931,859</u>		<u>5,041,670</u>
TOTAL LIABILITIES AND EQUITY	\$	<u>10,409,782</u>	\$	<u>10,432,563</u>

The full text of Melco Crown Entertainment's unaudited financial results for the fourth quarter and full year ended 31 December 2015 and declaration of Special Dividend has been posted on the Company's website at <http://www.melco-group.com> and on the website of The Stock Exchange of Hong Kong Limited at <http://www.hkex.com.hk>, as an overseas regulatory announcement, for the information of the Company's shareholders.

By Order of the Board of
Melco International Development Limited
Leung Hoi Wai, Vincent
Company Secretary

Hong Kong, 18 February 2016

As at the date of this announcement, the board of directors of the Company comprises three Executive Directors, namely Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Tsui Che Yin, Frank and Mr. Chung Yuk Man, Clarence; one Non-executive Director, namely Mr. Ng Ching Wo; and three Independent Non-executive Directors, namely Mr. Chow Kwong Fai, Edward, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kan Hee, Anthony.